

For the year ended March 31, 2000

# ANNUAL REPORT 2000



CRYSTAL CLEAR COMPANY

# SHARP

# CRYSTAL-CLEAR COMPANY

To become more welcomed by people  
and society at large...  
To become  
“the only company of its kind”,  
providing more tailored products and services.

To these ends,  
Our goal is to become a “Crystal-Clear Company”;  
SHARP will “Fit” the expectations of people.  
Our management will be “Open” inside and out.  
We will be “Smart” all the way around.

“Fit”, “Open”, and “Smart” will be the keywords for SHARP  
to be a “Crystal-Clear Company”.

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## Notes Regarding Future Plans and Estimates

This annual report contains statements describing future plans, strategies, and estimated performance. These descriptions are based not on past facts, but on the management’s assumptions and beliefs in light of the information currently available. These plans, strategies, and performance estimates are subject to a certain amount of risk and uncertainty due to factors such as economic changes, supply-demand fluctuations, increased competition, currency exchange rates, and changes in tax laws. Please understand that actual business results may vary from our estimates.

# Financial Highlights

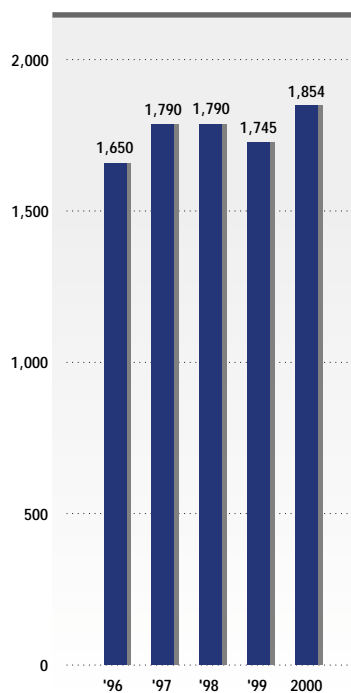
Sharp Corporation and Consolidated Subsidiaries Years ended March 31

	Yen (millions)					U.S. Dollars (thousands)
	1996	1997	1998	1999	2000	2000
Net Sales	¥1,650,708	¥1,790,580	¥1,790,542	¥1,745,537	¥1,854,774	\$17,664,514
Net Income	45,294	48,546	24,788	4,631	28,130	267,905
Net Income per Share of Common Stock (yen and U.S. dollars)	40.64	43.21	22.00	4.11	24.97	0.24
Cash Dividends per Share of Common Stock (yen and U.S. dollars)	12.00	12.00	12.00	12.00	12.00	0.11
Shareholders' Equity	896,464	943,565	953,327	944,339	958,671	9,130,200
Total Assets	2,008,976	2,048,791	2,084,203	2,021,886	1,987,444	18,928,038
Number of Shares Outstanding (thousands of shares)	1,119,272	1,126,474	1,126,506	1,126,530	1,126,582	—
Number of Employees (Sharp Corporation and Consolidated Subsidiaries)	44,789	45,117	47,981	48,820	49,748	—

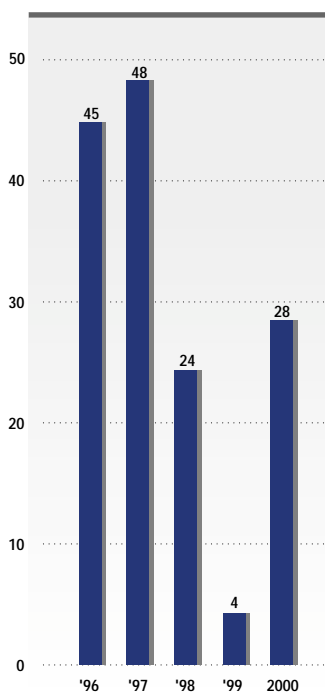
Notes: 1. Translation into U.S.dollar figures is based on ¥105=U.S.\$1, the approximate exchange rate prevailing on March 31, 2000.

All dollar figures herein refer to U.S.currency.

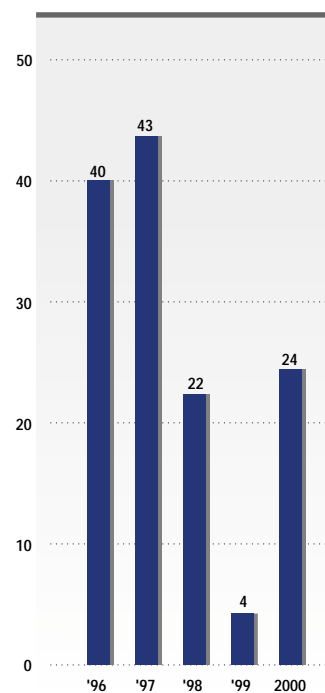
2. The computation of net income per share is based on the weighted average number of shares of common stock outstanding during each fiscal year.



Net Sales  
(billions of yen)



Net Income  
(billions of yen)



Net Income per Share  
(yen)

# A Message to Our Shareholders



Katsuhiko Machida  
President

## Fiscal 1999 in Review

Looking at the state of the economy this past year, Japan experienced hard times due to factors like high unemployment, low income, and sluggish consumer spending. However, in general we have seen a slight trend towards recovery: private industry began spending more on investment in plant and equipment in the latter part of the year, public spending was up, and housing investments have increased thanks to the effect of reduced property taxes. Internationally, the US economy continued its strong performance against a background of investment in information technology and increasing stock prices, while the European and Asian economies showed rapid recovery.

Against this background, Sharp is aiming to become the only company of its kind in the world via a business strategy centered around LCDs.

An example of this is our LCD Digital Network Strategy, which merges the talents of our R&D, device, and product groups in efforts to create one-of-a-kind products. Regarding technological development, our stance is that "technology leads to new business." In October 1999, we reorganized and strengthened our technological development system, appointing a Chief Technical Officer to take charge of and manage our technology so that it leads directly to new business. We are putting all our energy into

developing originally featured devices in the fields of IC, solar cells, and our industry-leading LCDs. We are offering consumers new lifestyles through the creation of one-of-a-kind products, such as the 28-inch wide-screen LCD television, the Continuous Grain Silicon rear-projection television, the notebook PC with low-reflection TFT LCD, the Personal Information Tool with Super Mobile LCD, and the microwave oven with LCD cooking guide. We are also expanding the range of the Sharp Space Town on-line service, first available via Sharp Personal Information Tools, then with PCs and facsimiles, and most recently by products like our Internet-access microwave oven.

As a result of these and other efforts in fiscal 1999, our consolidated net sales were ¥1,854.7 billion (US\$17,664 million), up 6.3 % over the previous period and operating income was up 95.3 % to ¥74.4 billion (US\$709 million). Both of these figures meet our upwardly adjusted estimates made in November 1999.

## Major Strategies for Fiscal 2000

Despite fears of continuing sluggish consumer spending and an increasingly worsening exchange rate, in general experts expect increasing private investment in information technology to help the Japanese economy continue its mild recovery. While the future of the US economy is still uncertain, the European and Asian economies appear to be headed

in the right direction.

With the electronics industry experiencing changes such as the rapid shift to digitalization and networking, the merging of broadcasting and telecommunications, dizzying technological developments, and the spread of the Internet, we are seeing new user needs and business opportunities in all fields of industry.

Against this background, we are making it a major priority to increase profits by channeling our resources into key growth fields. We are aiming to become a Crystal-Clear Company as the entire Sharp group works aggressively to make this the only company of its kind centered around LCD technologies.

We have a number of strategies to achieve this goal. The first is to further advance in LCDs, our core competence. In our increasingly digital, networked society, many expect LCDs—the “windows to information”—to play a crucial role, used on LCD televisions, cellular phones, and Internet-capable personal information tools.

This year, we will pursue an aggressive strategy that makes the LCD an indispensable device for products to access the Internet through all kinds of networks. We will do this by developing proprietary LCD technology, establishing highly efficient manufacturing systems and superior manufacturing technology, and expanding our LCD television business. In addition, the entire company will work towards the creation of superior products that make use of Sharp's leading LCDs.

The second strategy involves our IC business. Since

last year, we began radically changing our business structure, concentrating our resources in key growth fields such as flash memory and LSIs with built-in flash memory, LSIs for LCDs, and CCD and CMOS imagers. The devices in these fields will be key components in growth products like cellular phones, PCs, and personal information tools. We are strengthening our ability to develop one-of-a-kind devices by moving ahead aggressively with our refocusing and consolidating strategy and by concentrating more investment into development.

The third strategy is the establishment of solar cells as our next core competence. In order for our company to continue growing, we must establish our next pillar of business. With ever-increasing concern about the environment, electronics manufacturers, whose products are responsible for consuming much of the energy in today's homes, have a responsibility to lessen this burden on our Earth. We are using our long years of experience in photovoltaic technology to position energy devices, mainly solar cells, as our next core competence, and as a pillar of company business.

The fourth strategy is the development of one-of-a-kind products, products that will represent Sharp in the marketplace. This year, we will go all out to create “Digital New Life” products that emphasize improved ease of use through networking. We will work towards raising the value of the company by strengthening our brand image through original products like our LCD televisions and Personal

Information Tools.

The fifth strategy is creating employment and the reorganization of our personnel system to focus on rewarding employee effort and business results. Rather than downsizing, we will expand business in order to raise employee productivity and emphasize individual efforts. We will shift personnel to our growth business groups, such as LCD and photovoltaic devices, absorbing employees into areas where business is expanding. In addition, we will work to ensure that company resources are being



distributed appropriately, rewarding effort and ability through the introduction of such items as a bonus system based on business results.

### Increasing the Value of Sharp

Since last year, Sharp has worked to improve its major business indicators of ROA, ROE, EBITDA, and free cash flow. These are directly related to share value, profitability, and effective use of business funds. To improve these business indicators, we must increase profits. This year, our goal is to exceed our previous record for operating income on a consolidated basis and thus increase the value of Sharp as a company.

We look forward to receiving your continued help and support.

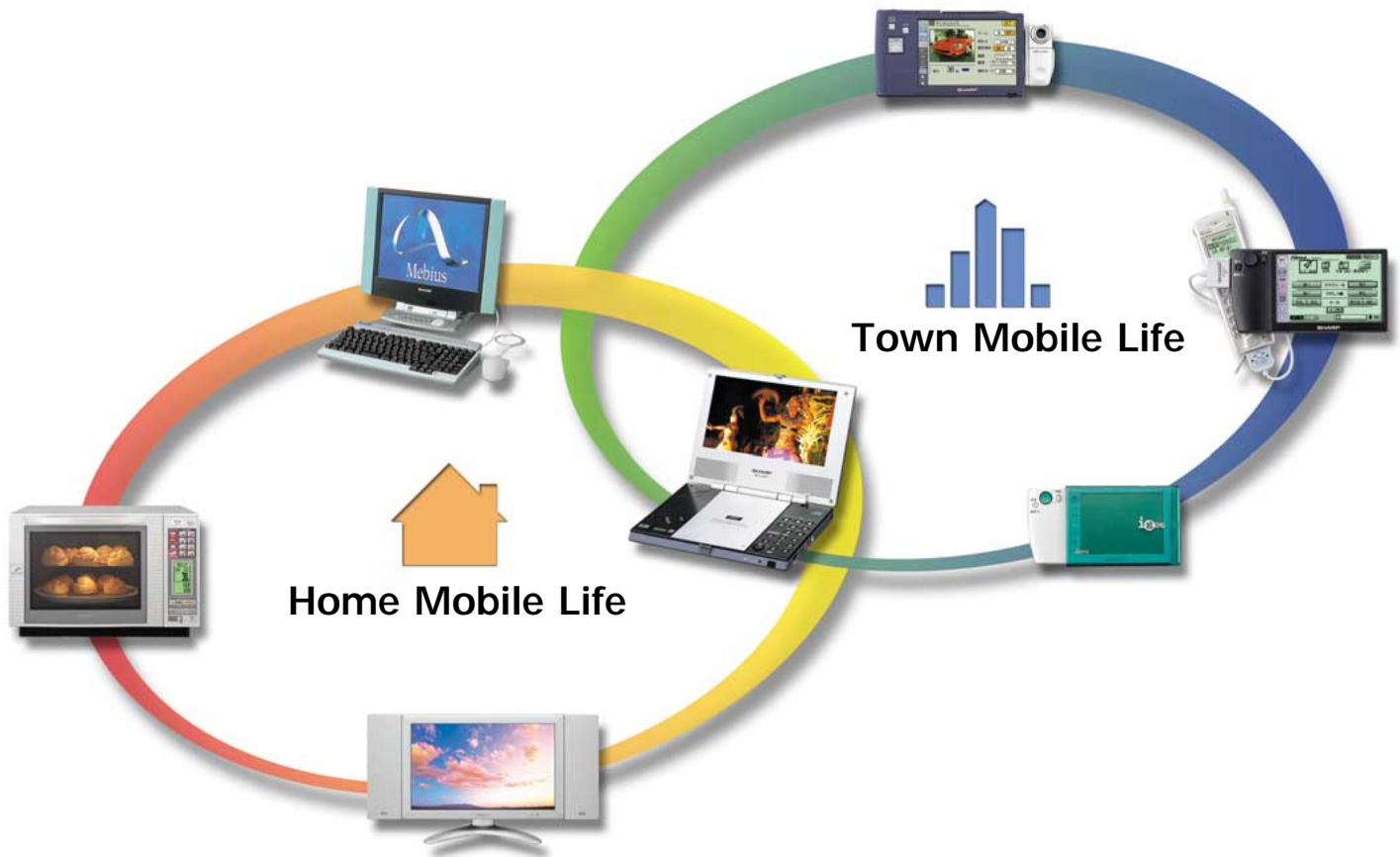
July 2000

A handwritten signature in black ink, reading "K. Machida". The signature is stylized with a large, sweeping flourish at the end.

Katsuhiko Machida  
President



# "Digital New Life" with LCD Digital Networks





This year Sharp aims to create one-of-a-kind products based on the theme of Digital New Life.

Progress in digital technology is leading to explosive growth of the Internet, the start of digital BS broadcasting and the merging of broadcasting and telecommunications, making possible completely new forms of communication and information.

Sharp is working towards the creation of one-of-a-kind products, in all fields, from audio-visual to telecommunications and home appliances, that offer people new lifestyles: LCD-applied products that let them enjoy television and the Internet like never before, and that connect to networks both inside and outside the home.

The Digital New Life concept includes two lifestyle themes: Home Mobile Life and Town Mobile Life.

Home Mobile Life will allow consumers to get the information and watch the images they want whenever they want through wireless networks. A home network controlled from a central server will allow people to build a wireless network in their homes and use LCD televisions or PCs to receive and view all kinds of information from any room in the house.

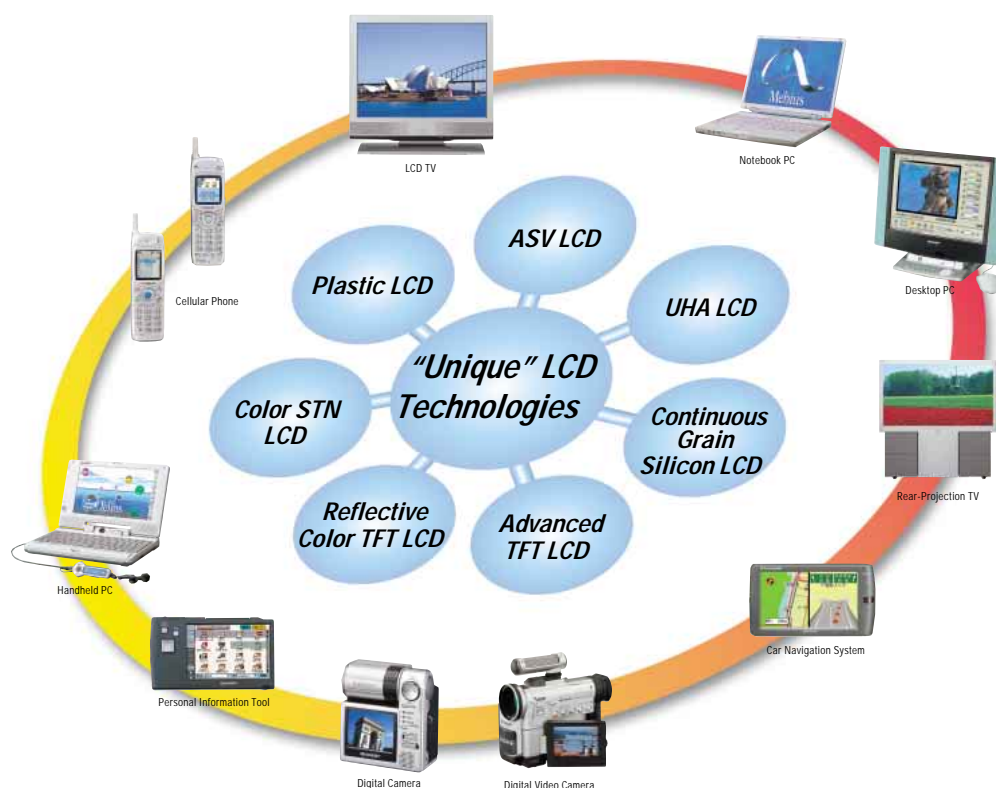
Town Mobile Life will bring this ability to enjoy images and information to outside the home. Users can take a television program stored on a memory card and watch it on a portable information tool wherever they please. Conversely, they can download information onto the memory card and use it at home.

This year, as part of the Digital New Life concept, we will push ahead with the creation of new products boasting improved networking capabilities, as well as work to develop the technologies behind these products,

such as IC memory cards and wireless communications devices.

With this in mind, in October 1999 we established the Digital Information Appliances Development Group. Here we set up a development system merging all product fields, and strengthened the development of basic technology for networking, with the aim of creating one-of-a-kind products for the digital network society.

Furthermore, we hope to bring society enjoyment and convenience by developing user-friendly interfaces that allow people to easily access information from network services via LCD screens.

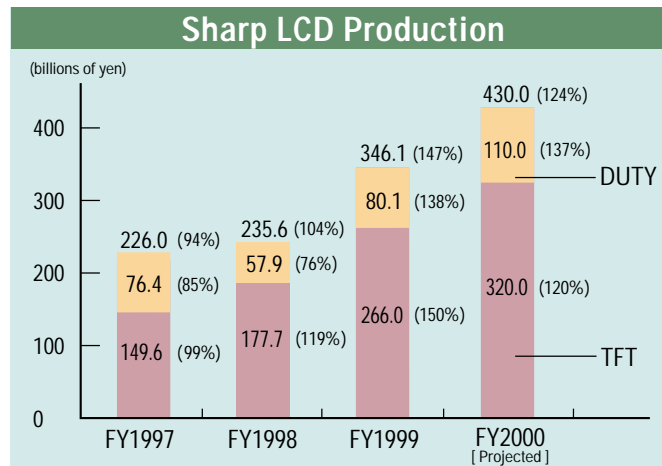


## LCD—Making Our Core Competence Even Stronger

Demand in the LCD industry is expected to grow at an annual rate of 28% between fiscal 1999 and 2001. Sharp aims to thoroughly strengthen its core competence of LCDs by making our technology the world's best and by developing LCDs that offer high added value.

The first thing we must do to strengthen our LCD business is to develop more and better one-of-a-kind LCDs. Our ASV (Advanced Super View) LCD holds great promise for television and monitor applications, with a wide viewing angle of 170 degrees, rivaling that of CRT monitors, and a high response rate of 15 ms. Our UHA LCDs use ultra-high aperture ratio technology to achieve a resolution of 1.5 to 2 million pixels, superior to CRTs, and have already received top marks for their applications in medical equipment monitors and digital televisions, as well as in monitors for handling the demands of Internet viewing and e-commerce. Our plastic LCDs which are thin, light, durable, and give

clear, ghost-free images as well as transreflective color STN LCDs are in increasing demand for cellular phones, while our reflective color TFT LCDs are in increasing demand for portable game machines. Furthermore, we aim to expand business with one-of-a-kind LCDs superior to those of our competitors: these include the advanced TFT LCD, the first LCD to use reflection in bright settings and transmission in the dark, making it perfect for applications like car navigation systems; and the Continuous Grain Silicon LCD, already used in our rear-projection televisions and soon to be used in panels for front-projection televisions. Continuous Grain Silicon LCDs may be applied to the sheet computers of the future.



The second thing we aim to do is phase out our CRT televisions and be producing only LCD televisions in Japan by 2005. This is our Crystal AV Strategy. LCD color televisions are replacing the conventional CRT television at a pace faster than anyone imagined. With digital BS (broadcast satellite) broadcasting set to start in December 2000 in Japan and terrestrial digital broadcasting to start in 2003, major electronics manufacturers are moving to LCD televisions. Consequently, demand in Japan for large-screen LCD televisions in 2005 is forecast to be 5 million units, half of the current demand for all color televisions.

The third thing we are working on is advancing our manufacturing technology. We aim to create plants that rival the cost-effectiveness of our Taiwanese and Korean competitors. To do this, we will reduce costs by making our own manufacturing equipment, by using more of our own color filters, and by streamlining the mounting

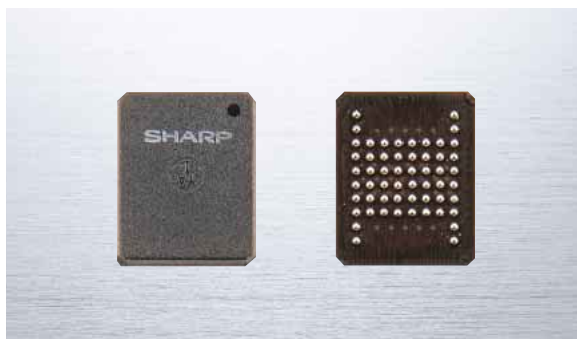
process. The first stage of construction at the Mie No. 2 plant is almost complete and the plant will go on line in August 2000, making large-screen TFT LCDs for audio and visual products and digital information appliances. The second stage of construction has begun and in April 2001 the plant will have new lines up and running. This plant will have achieved a more efficient use of investment funds than ever, thanks to the introduction of highly efficient manufacturing systems that employ revolutionary manufacturing equipment and methods. As well, the introduction of supply chain management will drastically reduce inventory and shorten manufacturing lead-time.

We estimate that the above-mentioned efforts will result in LCD production of ¥430 billion (US\$4,095 million) in fiscal 2000, a 24% increase over the previous period.

## A Strategy of Refocusing and Consolidating

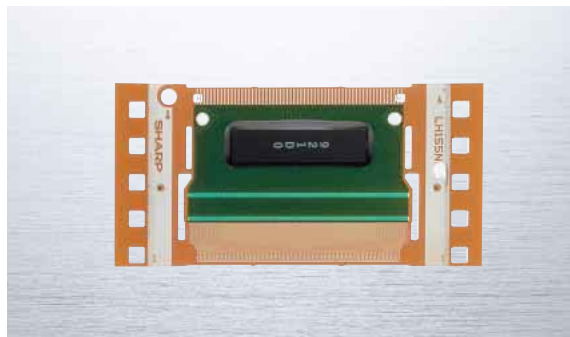
In our IC business this year, we are aiming for profitability by focusing on LSIs for LCD digital network solutions, something we see as an important growth field. These include flash memory and LSIs with built-in flash memory, LSIs for LCD, and CCD and CMOS imagers.

The first part of this strategy focuses on flash memory. The market for cellular phones worldwide is growing faster than anyone expected. The incorporation of high-end functions such as e-mail and Internet access into phones creates a need for ever-higher capacity flash memory. In April 1998, Sharp was the first company to release stacked CSPs (chip-sized packages), which made a major contribution to the shrinking of cellular phone size. In August 1999, we began manufacturing the world's first 3-chip stacked CSP, which stacks three LSIs into a single package. Compared with three separate CSPs, this 3-chip CSP is just one-half the size and weight. We forecast flash memory production in fiscal 2000 of ¥102 billion (US\$ 971 million), up 33% from the previous period.



Stacked CSPs are ideal for use in mobile equipment such as cellular and PHS phones and personal information tools.

The second part of the strategy focuses on LCD drivers, which are in rapidly increasing demand for cellular phones and portable game machines. We plan to make LCD drivers the major focus of our efforts in 2000.

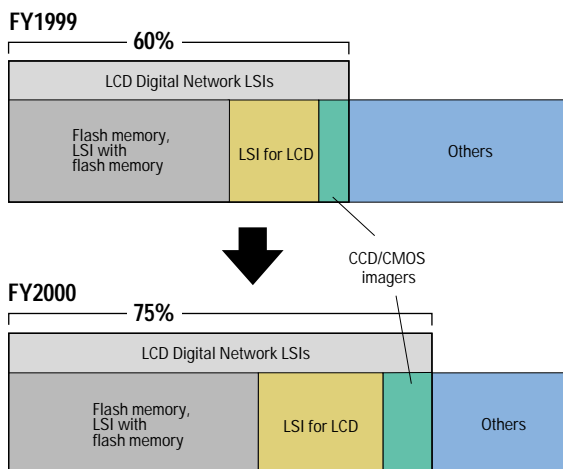


This STN LCD driver with built-in RAM capable of displaying 256 colors has made possible color LCD screens for portable information communication tools.

The third part of the strategy is CCD and CMOS imagers, another device in rapidly increasing demand for products like digital cameras, video cameras, and personal information tools.

We predict that the production from these key business fields will make up 75% of our total IC production in fiscal 2000, up from 60% in fiscal 1999. Sharp revamped its company organization in April 2000, introducing a system of four separate product divisions—the above three fields plus analog ICs. Thus, our company organization now puts development front and center.

## Percentage Distribution of Sharp IC Production



## Photovoltaic Devices

Ever since 1963, when we became the first company to mass produce solar cells, we have continued to improve the technology. We plan to position energy devices like solar cells as our next core competence, creating a new business pillar for the company, by making development in this area a major priority.

Sharp has taken the initiative in working to make residential solar power systems a standard part of homes and our efforts have not gone unnoticed. We received the Minister of International Trade and Industry Prize, the highest honor in Japan's New Energy Grand Prize. This marked the fourth year in a row Sharp has been honored since the initiation of this award.

We have also created a full line of products, including one-touch fitting systems and smartly designed solar cell modules that let in light. Both our monocrystalline and polycrystalline solar cells boast conversion efficiencies that are among the industry's highest level. In March 2000, our new Nara plant went on line, giving us more production capacity. This plant mass produces polycrystalline solar cells that are meeting the growing demand for residential solar power systems, of which Sharp is a leading manufacturer.

It is estimated that of the 500,000 new homes that will be built in 2003 in Japan, 100,000—a full 20%—will be equipped with solar power systems, and we are working to increase our manufacturing capacity in order to be a major supplier in this growing market.



An entire residential community using Sharp solar power systems (Matsudo, Chiba Prefecture, Japan).

## Optical Devices

Significant growth is expected to continue for laser diodes and OPIC photodetectors, key components in optical disk devices such as CD-ROM, CD-R/RW, DVD-ROM, and DVD-R/RW drives and in optical communication devices for home networks. Sharp is stepping up development efforts in advanced devices, such as high-output lasers for 16x CD-R/RW drives, dual channel lasers for DVD-ROM/CD-R drives, and OPIC photo detectors for 16x DVD-ROM drives.

In the field of optical communication devices, we are working to create devices that expand the possibilities of digital networks; devices like IrDA units for next-generation cellular phones (W-CDMA) and IEEE 1394 plastic fiberoptic links.

According to a Gartner Group Dataquest survey, Sharp held the number one share, 15.5%, of the world market for optoelectronic devices in 1999 for the 17th year in a row\*. We plan to not only maintain this position but to expand our share as well.

\*Source: Gartner Group Japan K.K. Dataquest (GG2000-SHA-004)

## RF Components

As broadcasting rapidly goes digital, Sharp is expanding business with aggressive development of products for this revolution; not only parts for satellite broadcasting, but products that will contribute to the digitalization of digital satellite, cable television and terrestrial broadcasting. With advances in digital information appliances, we are working to apply RF and telecommunications technology so that we can expand business in RF wireless communication products. We hope to contribute to the creation of the coming digital network society by developing network devices like Bluetooth units and cable modems for mobile communications, as well as SS wireless LAN cards.

# Becoming an Environmentally Advanced Company

At Sharp, we are doing our utmost to ensure that activities at all of our worldwide bases are carried out with as little negative impact on the environment as possible.

In addition to our Green Products initiative, which promotes energy and resource conservation and recycling, we have our Sharp Green Seal Products system, which certifies that products are worthy to be called environmentally one-of-a-kind. As well, we do everything we can to ensure that all product environmental information is publicly available.



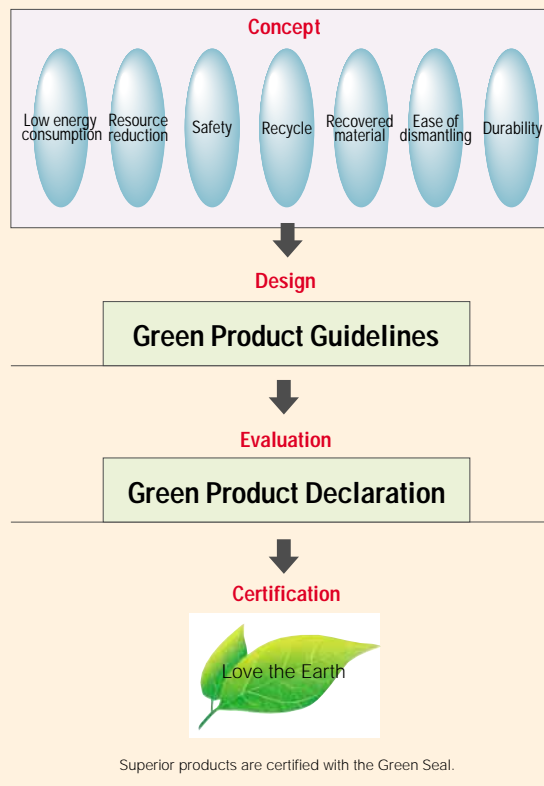
The Sharp Green Seal is displayed on products that meet the environmental standards established by our company.

Our Green Factories initiative aims to reduce the negative effect our factories have on global warming and contribute to a society in which people recycle more. We have created strict guidelines for the operation of our factories to ensure that this initiative meets its aims.

Starting in April 2000, we introduced our Green Procurement System at all domestic bases. This system sets strict environmental guidelines for the types of parts and materials we buy from suppliers.

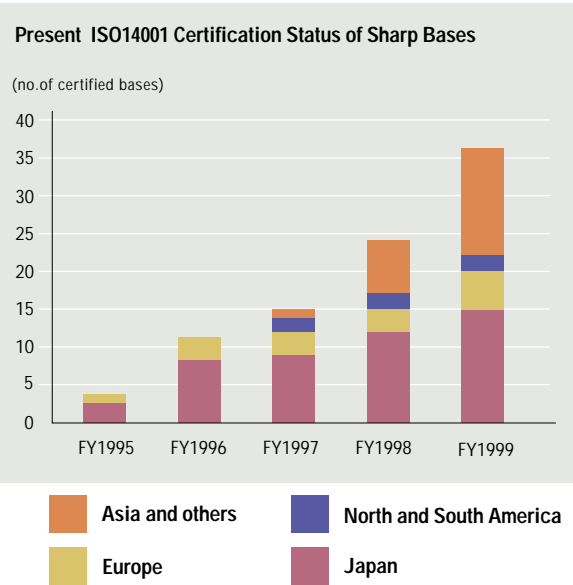
In preparation for the start of Japan's new recycling law in April 2001, we established Kansai Recycling Systems,

## < Green Product Development Process >



Co., Ltd. in December 1999. This company will recycle used consumer electronics for reuse in new products. We are also developing products that are easier to recycle and whose parts use more uniform materials overall.

We are continuing to have our bases certified for ISO 14001 compliance so that we can continue to lessen the environmental burden at these bases with thorough environmental management practices. In May 1997, we became the first company in the industry to have all domestic manufacturing bases certified for ISO 14001. This year, we hope to do the same for all our international manufacturing bases. In addition to introducing “environmental accounting” practices that ensure effective environmental measures, we are working to post reports on our environmental activities via regular Environmental Reports and on our corporate Web sites.





## New Products

March 2000

### Joint Development of Small-Size, High-Density Magneto Optical (MO) Disk

Sharp and Sony Corporation have jointly developed a high-density magneto optical (MO) disk measuring merely 50.8 mm in diameter. This new data storage medium will further promote the miniaturization of mobile devices and greatly increase their storage capacity. The new MO disk will be used in digital ViewCams and PDAs, allowing users to enjoy video on the go.



Small-size, high-density magneto optical disk.

February 2000

### World's First 28-inch Wide-Screen LCD Television Compatible with Digital High-Definition Broadcasts

The LC-28HD1 LCD TV has a large screen size, equivalent to that of a 30-inch CRT TV, yet it is only 6 cm thick. The LC-28HD1 has been highly rated as a next-generation TV that gives users the freedom to watch video entertainment from various digital sources in a variety of ways.



LC-28HD1 28-inch wide-screen LCD television.

December 1999

### World's First 60-inch Rear-Projection HDTV Using Continuous Grain Silicon TFT LCD Panels

Sharp's LC-R60HD rear-projection HDTV uses Continuous Grain Silicon TFT LCD panels, in which the driver IC and the LCD panel are integrated onto a single substrate. Providing a big-screen picture that's easy on the eyes without taking up much space, the LC-R60HD is perfect for displaying detailed images in home theater setups and in public locations such as museums, exhibition halls, and trade shows.



LC-R60HD 60-inch rear-projection LCD HDTV.

October 1999

### World's First Color Plastic LCD

Plastic LCDs are expected to grow greatly in demand in the mobile equipment market thanks to their unique features, which are their thin profile, light weight, durability and their ability to display clear, ghost-free images. Sharp was the first in the world to succeed in bringing color to plastic LCDs, and is currently working on establishing mass production technology within this year.



3.8-inch QVGA reflective color plastic STN LCD module.

## Alliances

### March 2000

#### Sharp, Fuji Xerox, Xerox Collaborate in Development and Production of Ink-jet Products

Sharp, Fuji Xerox Co., Ltd. and Xerox Corporation have reached an agreement to collaborate in developing and manufacturing ink-jet products. Because ink-jet printers are capable of speedy, high-quality color printing, the market for ink-jet products has high potential, with demand in both the home and office markets, especially the SOHO segment, expected to increase. Sharp intends to expand business for the entire ink-jet product market.



Press conference in Tokyo, march 2000.

## Others

### December 1999

#### Sharp Establishes Consumer Electronics Recycling Company in Osaka

Sharp and Mitsubishi Materials jointly established Kansai Recycling Systems, Co., Ltd. to comply with a law scheduled to go into effect in April 2001 in Japan. According to the new law, specific kinds of consumer electronic goods are required to be recycled. The plant, currently being built, will recycle used consumer electronics for reuse in new products.

### May 1999

#### Sharp Enters Comprehensive Business Agreement with Quanta Computer Inc.

Sharp and Quanta Computer Inc., the largest notebook PC manufacturing and sales company in Taiwan, entered a comprehensive business agreement that includes providing Quanta with technology for manufacturing TFT LCD modules. A groundbreaking ceremony was held in September 1999 for Guanghui Dianzi, a joint company formed by Sharp and Quanta.

The groundbreaking ceremony for Guanghui Dianzi was a major event, with many government and business leaders in attendance (Sharp President Machida is third from the right).



Sharp Corporate Senior Executive Vice President Misaka (right) and Quanta Chairman and CEO Barry Lam sign the agreement.

### October 1999

#### Personal Information Tool Receives Good Design Award

The Sharp iGeti Personal Information Tool won a Gold Award (Minister of International Trade and Industry Award) at the 1999 Good Design Awards supported by Japan's Ministry of International Trade and Industry. The iGeti, which proved popular with young people and women, was praised for bringing the Internet closer to users with its easy, intuitive access.



Gold-winning MI-P1 iGeti Personal Information Tool.

# Board of Directors

Listed below is the Board of Directors as of May 31, 2000



Katsuhiko Machida  
*President*

## *Corporate Senior Executive Vice Presidents*



Magohiro Aramoto



Isamu Washizuka



Shigeo Misaka



Seiji Shiotsu

## *Corporate Senior Executive Directors*



Sueyuki Hirooka



Buheita Fujiwara



Hiroshi Saji



Akihiko Kumagai



Hiroshi Mori

## *Corporate Executive Directors*

Ishimi Nakagawa Keiichi Miyata Toru Kawata Terumasa Yoneda  
Toshishige Hamano Masaya Hijikigawa Kensuke Yamada

## *Corporate Directors*

Akira Mitarai Tadashi Inoue Shintaro Hashimoto Teruhiko Kondoh  
Toshiaki Urushisako Zempai Tani Masaaki Ohtsuka Yoichi Sakai Toshiyuki Tajima

## *Corporate Auditors*

Masataka Murata Tetsuo Tani

## *Statutory Auditors*

Hiroshi Iyori Michihiro Ishii

# FINANCIAL SECTION



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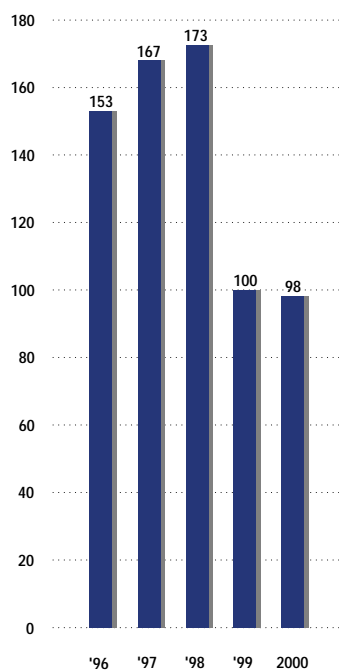
## Financial Review

Years ended March 31

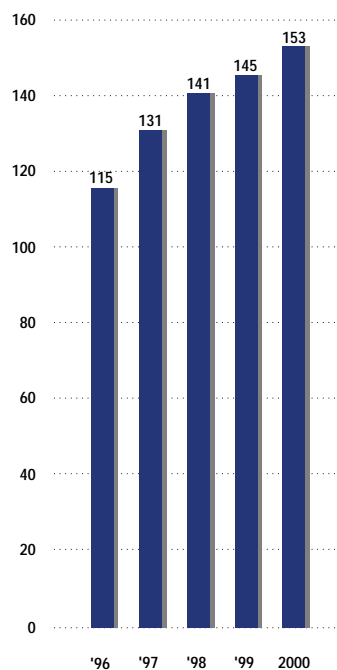
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	1996	1997	1998	1999	2000	2000
Net Sales .....	¥1,650,708	¥1,790,580	¥1,790,542	¥1,745,537	¥1,854,774	\$17,664,514
Domestic Sales .....	872,054	930,605	856,346	857,175	974,666	9,282,533
Overseas Sales .....	778,654	859,975	934,196	888,362	880,108	8,381,981
Operating Income .....	97,244	100,662	59,100	38,127	74,460	709,143
Income before Income Taxes and Minority Interests .....	96,201	96,324	50,537	11,281	54,007	514,352
Net Income .....	45,294	48,546	24,788	4,631	28,130	267,905
Shareholders' Equity .....	896,464	943,565	953,327	944,339	958,671	9,130,200
Total Assets .....	2,008,976	2,048,791	2,084,203	2,021,886	1,987,444	18,928,038
Capital Investment .....	153,917	167,632	173,448	100,146	98,051	933,819
Depreciation and Amortization .....	115,810	131,563	141,902	145,498	153,839	1,465,133
R&D Expenditures* .....	119,247	124,709	132,271	135,095	146,845	1,398,524
<b>Sales by Product Segment</b>						
Audio-Visual Equipment .....	413,824	447,974	434,342	418,812	400,190	3,811,333
Home Appliances .....	273,673	282,265	282,698	284,250	258,588	2,462,743
Communication and Information Equipment .....	514,000	587,410	594,089	551,023	586,932	5,589,828
Consumer/Information Products .....	1,201,497	1,317,649	1,311,129	1,254,085	1,245,710	11,863,904
Electronic Components .....	449,211	472,931	479,413	491,452	609,064	5,800,610
Total .....	1,650,708	1,790,580	1,790,542	1,745,537	1,854,774	17,664,514
<b>Sales by Region</b>						
Japan .....	872,054	930,605	856,346	857,175	974,666	9,282,533
North America .....	393,354	428,509	448,390	435,602	403,755	3,845,286
Asia .....	154,901	165,488	204,236	185,161	234,358	2,231,981
Europe .....	172,768	185,091	200,692	206,047	192,246	1,830,914
Other .....	57,631	80,887	80,878	61,552	49,749	473,800
Total .....	1,650,708	1,790,580	1,790,542	1,745,537	1,854,774	17,664,514
<b>Per Share of Common Stock</b>						
Net Income .....	¥ 40.64	¥ 43.21	¥ 22.00	¥ 4.11	¥ 24.97	\$ 0.24
Cash Dividends .....	12.00	12.00	12.00	12.00	12.00	0.11
Shareholders' Equity .....	800.94	837.63	846.27	838.28	850.96	8.10
<b>Other Financial Data</b>						
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) .....	¥ 213,054	¥ 232,225	¥ 201,002	¥ 183,625	¥ 228,299	\$ 2,174,276
<Operating Income+Depreciation and Amortization> Return on Equity (ROE) .....	5.2%	5.3%	2.6%	0.5%	3.0%	—
Return on Assets (ROA) .....	2.3%	2.4%	1.2%	0.2%	1.4%	—
Percentage of Shareholders' Equity .....	44.6%	46.1%	45.7%	46.7%	48.2%	—

\*Design and Development expenditures are included.

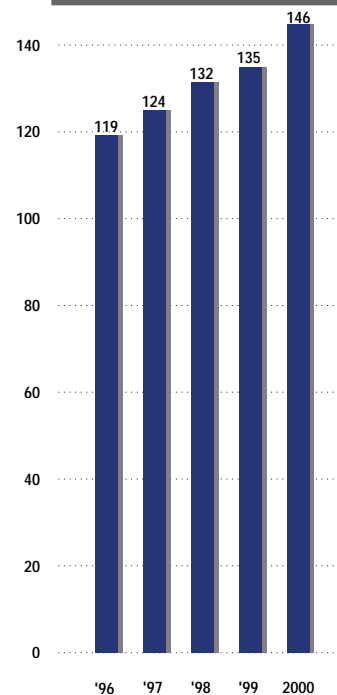
### Capital Investment (billions of yen)



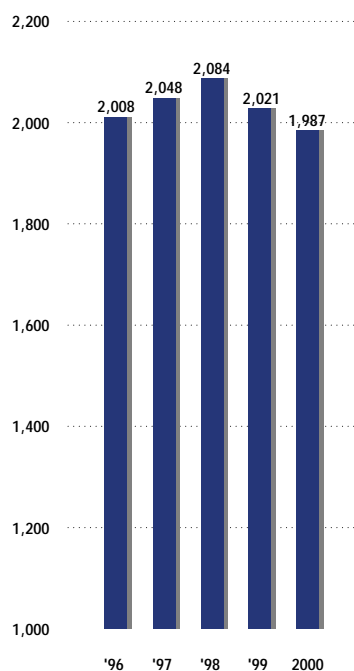
### Depreciation and Amortization (billions of yen)



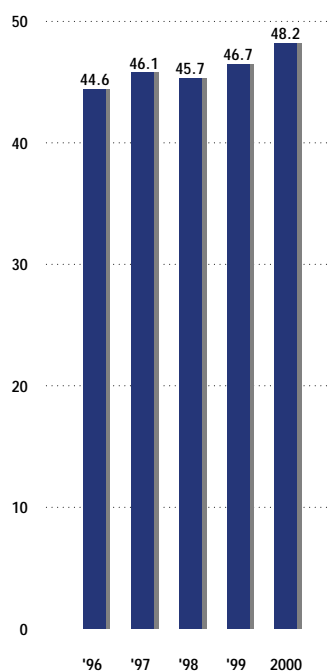
### Research and Development Expenditures\* (billions of yen)



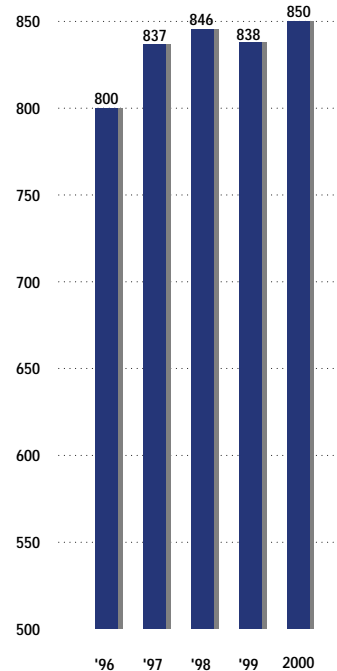
### Total Assets (billions of yen)



### Percentage of Shareholders' Equity (%)



### Shareholders' Equity per Share (yen)



## Consolidated Balance Sheets

Sharp Corporation and Consolidated Subsidiaries as of March 31, 1999 and 2000

ASSETS	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Current Assets:			
Cash and cash equivalents.....	¥ 226,553	¥ 177,783	\$ 1,693,171
Time deposits (Note 5) .....	9,794	66,227	630,733
Short-term investments (Note 2) .....	188,005	174,217	1,659,210
Notes and accounts receivable—			
Trade.....	321,248	345,512	3,290,591
Installment .....	22,171	18,772	178,781
Nonconsolidated subsidiaries and affiliates.....	16,329	10,402	99,067
Allowance for doubtful receivables.....	(7,425)	(6,876)	(65,486)
Inventories (Note 3) .....	300,223	266,013	2,533,457
Other current assets.....	67,735	47,815	455,381
Total current assets.....	1,144,633	1,099,865	10,474,905
Plant and Equipment, at cost (Note 6):			
Land.....	48,585	47,121	448,772
Buildings and structures.....	409,351	411,450	3,918,571
Machinery and equipment .....	1,155,835	1,146,835	10,922,238
Construction in progress.....	32,546	53,779	512,181
	1,646,317	1,659,185	15,801,762
Less-Accumulated depreciation.....	(1,039,408)	(1,094,804)	(10,426,705)
	606,909	564,381	5,375,057
Investments and Other Assets:			
Investments in securities (Note 2) .....	119,622	147,629	1,405,991
Investments in nonconsolidated subsidiaries and affiliates (Note 2).....	21,022	14,773	140,695
Prepaid expenses and other .....	90,651	96,146	915,676
	231,295	258,548	2,462,362
Foreign Currency Translation Adjustments .....	39,049	64,650	615,714
	<u>¥2,021,886</u>	<u>¥1,987,444</u>	<u>\$18,928,038</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.



LIABILITIES AND SHAREHOLDERS' EQUITY	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Current Liabilities:			
Short-term borrowings, including current portion of			
long-term debt (Note 5)	¥ 323,409	¥ 238,802	\$ 2,274,305
Notes and accounts payable—			
Trade	289,501	284,658	2,711,029
Construction and other	39,725	78,201	744,771
Nonconsolidated subsidiaries and affiliates	7,347	10,157	96,733
Accrued expenses	102,115	106,998	1,019,028
Income taxes (Note 4)	—	32,153	306,219
Other current liabilities	14,350	14,979	142,657
Total current liabilities	776,447	765,948	7,294,742
Long-term Liabilities:			
Long-term debt (Note 5)	275,655	241,182	2,296,971
Estimated termination and retirement allowances	5,339	5,736	54,629
Other long-term liabilities	9,929	3,869	36,848
	290,923	250,787	2,388,448
Minority Interests	10,177	12,038	114,648
Contingent Liabilities (Note 8)			
Shareholders' Equity (Note 7):			
Common stock, par value ¥50 per share:			
Authorized —2,000,000 thousand shares			
Outstanding—1,126,530 thousand shares in 1999 and			
1,126,582 thousand shares in 2000	204,045	204,066	1,943,486
Additional paid-in capital	282,719	282,740	2,692,762
Retained earnings	457,580	471,872	4,494,019
Less-Cost of treasury stock:			
4,532 shares in 1999 and			
3,916 shares in 2000	(5)	(7)	(67)
Total shareholders' equity	944,339	958,671	9,130,200
	¥2,021,886	¥1,987,444	\$18,928,038

# Consolidated Statements of Income

Sharp Corporation and Consolidated Subsidiaries for the Years ended March 31, 1999 and 2000

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Net Sales .....	¥ 1,745,537	¥ 1,854,774	\$17,664,514
Cost of Sales .....	1,318,876	1,383,665	13,177,762
Gross profit .....	426,661	471,109	4,486,752
Selling, General and Administrative Expenses .....	388,534	396,649	3,777,609
Operating income .....	38,127	74,460	709,143
Other Income (Expenses):			
Interest and dividend income .....	13,907	10,259	97,705
Interest expense .....	(17,520)	(13,002)	(123,829)
Loss on disposal of inventory .....	(9,785)	—	—
Other, net .....	(13,448)	(17,710)	(168,667)
	(26,846)	(20,453)	(194,791)
Income before income taxes and minority interests.....	11,281	54,007	514,352
Income Taxes (Note 4):			
Current .....	8,460	38,855	370,047
Deferred .....	(2,710)	(13,900)	(132,381)
	5,750	24,955	237,666
Income before minority interests .....	5,531	29,052	276,686
Minority Interests in Income of Consolidated Subsidiaries .....	(900)	(922)	(8,781)
Net Income.....	¥ 4,631	¥ 28,130	\$ 267,905

	Yen		U.S. Dollars
	1999	2000	2000
Per Share of Common Stock (Note 7):			
Net income .....	¥ 4.11	¥ 24.97	\$ 0.24
Diluted net income .....	—	24.80	0.24
Cash dividends .....	12.00	12.00	0.11

The accompanying notes to consolidated financial statements are an integral part of these statements.

## Consolidated Statements of Shareholders' Equity

Sharp Corporation and Consolidated Subsidiaries for the Years ended March 31, 1999 and 2000

	Number of Shares (thousands)		Yen (millions)		U.S. Dollars (thousands)
	1999	2000	1999	2000	2000
<b>Common Stock (Note 7):</b>					
Beginning balance .....	1,126,506	1,126,530	¥ 204,035	¥ 204,045	\$ 1,943,286
Conversion of convertible bonds .....	24	52	10	21	200
Ending balance .....	<u>1,126,530</u>	<u>1,126,582</u>	<u>¥ 204,045</u>	<u>¥ 204,066</u>	<u>\$ 1,943,486</u>
<b>Additional Paid-in Capital (Note 7):</b>					
Beginning balance .....			¥ 282,709	¥ 282,719	\$ 2,692,562
Conversion of convertible bonds .....			10	21	200
Ending balance .....			<u>¥ 282,719</u>	<u>¥ 282,740</u>	<u>\$ 2,692,762</u>
<b>Retained Earnings (Note 7):</b>					
Beginning balance .....			¥ 466,591	¥ 457,580	\$ 4,357,905
Net income .....			4,631	28,130	267,905
Cash dividends paid .....			(13,518)	(13,518)	(128,743)
Directors' and statutory auditors' bonuses .....			(124)	—	—
Other .....			—	(320)	(3,048)
Ending balance .....			<u>¥ 457,580</u>	<u>¥ 471,872</u>	<u>\$ 4,494,019</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

## Consolidated Statements of Cash Flows

Sharp Corporation and Consolidated Subsidiaries for the Years ended March 31, 1999 and 2000

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and minority interests .....	¥ 11,281	¥ 54,007	\$ 514,352
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities —			
Depreciation and amortization of properties and intangibles .....	121,923	129,675	1,235,000
Interest and dividend income .....	(13,907)	(10,259)	(97,705)
Interest expense .....	17,520	13,002	123,829
Exchange loss .....	8,917	3,846	36,629
Loss on sales and disposal of plant and equipment .....	1,895	5,841	55,629
(Increase) decrease in notes and accounts receivable .....	32,092	(23,189)	(220,848)
Decrease in inventories .....	23,286	25,956	247,200
Increase (decrease) in payable .....	(29,383)	6,292	59,924
Other, net .....	10,348	9,689	92,276
Total .....	183,972	214,860	2,046,286
Interest and dividend received .....	15,792	10,873	103,552
Interest paid .....	(16,995)	(12,817)	(122,067)
Income taxes paid .....	(8,770)	(764)	(7,276)
Net cash provided by operating activities .....	173,999	212,152	2,020,495
<b>Cash Flows from Investing Activities:</b>			
Purchase of time deposits .....	(252,969)	(486,938)	(4,637,505)
Proceeds from redemption of time deposits .....	270,253	427,761	4,073,914
Purchase of short-term investments .....	(9,691)	(1,180)	(11,238)
Proceeds from sales of short-term investments .....	25,250	5,570	53,048
Acquisitions of plant and equipment .....	(157,045)	(58,449)	(556,657)
Proceeds from sales of plant and equipment .....	2,463	3,531	33,629
Purchase of investments in securities and investments in nonconsolidated subsidiaries and affiliates .....	(40,083)	(17,054)	(162,419)
Proceeds from sales of investments in securities and nonconsolidated subsidiaries and affiliates .....	12,411	4,811	45,819
Loans made .....	(3,425)	(10,146)	(96,629)
Proceeds from collection of loans .....	773	16,977	161,686
Other, net .....	34,630	(21,280)	(202,667)
Net cash used in investing activities .....	(117,433)	(136,397)	(1,299,019)
<b>Cash Flows from Financing Activities:</b>			
Decrease in short-term borrowings, net .....	(23,036)	(94,905)	(903,857)
Issuance of bonds .....	61,422	2,101	20,010
Repayments of long-term debt .....	(62,948)	(13,814)	(131,562)
Dividends paid .....	(13,518)	(13,518)	(128,743)
Other, net .....	45,159	(297)	(2,829)
Net cash provided by (used in) financing activities .....	7,079	(120,433)	(1,146,981)
Effect of Exchange Rate Changes on Cash and Cash Equivalents .....	(8,470)	(6,818)	(64,933)
Net (decrease) increase in cash and cash equivalents .....	55,175	(51,496)	(490,438)
Cash and Cash equivalents at Beginning of Year .....	169,645	226,553	2,157,647
Cash and Cash equivalents of newly consolidated subsidiaries .....	1,733	2,726	25,962
Cash and Cash equivalents at End of Year .....	¥226,553	¥177,783	\$1,693,171
<b>Noncash Investing and Financing Activities:</b>			
Increase in common stock and additional paid-in capital on conversion of convertible bonds .....	¥ 20	¥ 42	\$ 400

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Notes to Consolidated Financial Statements

Sharp Corporation and Consolidated Subsidiaries

## 1. Summary of Significant Accounting and Reporting Policies

### (a) Basis of presenting consolidated financial statements

Sharp Corporation (the "Company") and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards. The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

The accompanying consolidated financial statements are a translation of the audited consolidated financial statements of the Company which were prepared in accordance with accounting principles and practices generally accepted in Japan from the accounts and records maintained by the Company and its consolidated subsidiaries and were filed with the Minister of Finance ("MOF") as required by the Securities and Exchange Law.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The consolidated statement of cash flows for 1999 has been prepared for the purpose of inclusion in the consolidated financial statements, although such statement was not customarily prepared in Japan and not required to be filed with MOF prior to 2000.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of the reader, using the prevailing exchange rate at March 31, 2000, which was ¥105 to U.S.\$1.00. The convenience translations should not be construed as representations

that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

### (b) Principles of consolidation

The Company prepared the consolidated financial statements for the year ended March 31, 2000 in accordance with the revised Accounting Principles for Consolidated Financial Statements (the "Revised Accounting Principles") effective from the year ended March 31, 2000.

The accompanying consolidated financial statements include the accounts of the Company and significant companies over which the Company has power of control through majority voting right or existence of certain conditions evidencing control by the Company. Investments in nonconsolidated subsidiaries and affiliates over which the Company has the ability to exercise significant influence over operating and financial policies of the investees, are accounted for on the equity method. The effect of adopting the Revised Accounting Principles is immaterial.

In the elimination of investments in consolidated subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries.

Material intercompany balances, transactions and profits have been eliminated in consolidation.

### (c) Translation of foreign currencies

Monetary current assets and liabilities denominated in foreign currencies are translated into Japanese yen at the current rates of exchange in effect at each balance sheet date.

Investments in the common stock of overseas nonconsolidated subsidiaries and affiliates and long-term debt denominated in foreign currencies are translated at

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the historical exchange rate in effect at the time of each transaction.

The financial statements of overseas subsidiaries and affiliates are translated by using the closing rate method. Under this method, assets and liabilities are translated at the current rates of exchange in effect at each balance sheet date, shareholders' equity accounts are translated at historical rates, and revenues and expenses are translated at the average rates. The resulting translation adjustments are reflected in the accompanying consolidated financial statements.

**(d) Cash and cash equivalents and statement of cash flows**

Cash and cash equivalents include cash on hand, deposits placed with banks on demand and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

In accordance with the "Standards for Preparation of Consolidated Cash Flow Statements, etc." (the "NEW Standards"), effective from the year ended March 31, 2000, the Company is required to prepare consolidated statements of cash flows. The prior year's consolidated statement of cash flows, which was prepared for readers outside Japan although such statement was not required, has been restated to conform to the 2000 presentation.

**(e) Short-term investments and investments in securities**

Short-term investments consist of certificates of deposit, marketable equity securities, interest-bearing securities and funds in trust.

Investments in securities consist principally of marketable and nonmarketable equity securities and interest-bearing securities.

Marketable and nonmarketable equity securities and interest-bearing securities are principally stated at average

cost. Funds in trust, which represent funds deposited with and managed primarily by trust banks, are stated at cost.

**(f) Leases**

Finance leases, except those leases for which the ownership of the leased assets is considered to be transferred to the lessee, are primarily accounted for as operating leases.

**(g) Inventories**

Finished products are principally stated at the lower of moving average cost or market, however, finished products held by overseas consolidated subsidiaries are valued at the lower of first-in, first-out cost or market. Work in process and raw materials are stated at the current production and purchase costs, respectively, not in excess of estimated realizable value.

**(h) Depreciation and amortization**

Depreciation of plant and equipment is primarily computed on the declining-balance method over the estimated useful lives. Buildings acquired by the Company and its domestic consolidated subsidiaries on and after April 1, 1998 are depreciated on the straight-line method.

Maintenance and repairs including minor renewals and betterments are charged to income as incurred.

**(i) Accrued bonuses**

The Company and its domestic consolidated subsidiaries accrue estimated amounts of employees' bonuses based on estimated amounts to be paid in the subsequent period.

**(j) Income taxes**

Effective April 1, 1999, the Company and its domestic consolidated subsidiaries adopted the new accounting standard, which recognizes tax effects of temporary differences between the carrying amounts of assets and

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liabilities for tax and financial reporting purposes.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The effect of adopting the new accounting standard is immaterial.

#### **(k) Termination and retirement allowance plans**

The Company and its domestic consolidated subsidiaries have a trustee noncontributory pension welfare plan for their employees with at least five years of service to supplement a governmental welfare pension plan.

Annual payments to the trustees for the pension plan are based on actuarially determined costs of the plan. It is the Company's policy to charge the annual payments to income, including the amortization of unfunded prior service costs.

Based on an assumed rate of return on fund assets of 5.5% as of March 31, 1999, the latest date of the report available from the trustees, the pension fund assets and the actuarially computed value of pension benefits, including a portion of the governmental welfare pension plan were ¥353,715 million (\$3,368,714 thousand) and ¥325,437 million (\$3,099,400 thousand), respectively.

In addition, the Company and its domestic consolidated subsidiaries have an unfunded termination and retirement allowance plan to provide benefits for their employees with less than five years of service. The amounts of the termination and retirement allowances are, in general, determined on the basis of length of service and specified basic salary at the time of termination or retirement. Estimated termination and retirement allowances are provided for 40% of the amount required if the employees with less than five years of service had voluntarily terminated their employment as of each fiscal year end.

The total provision, including amortization of prior service costs, charged to income under these plans for the years ended March 31, 1999 and 2000 were ¥18,066 million and ¥18,466 million (\$175,867 thousand), respectively.

Directors and statutory auditors customarily receive lump-sum payments upon their termination, subject to shareholders' approval. Such payments are charged to income when paid.

#### **(l) Research and development expenses and software costs**

Research and development expenses are charged to income as incurred in accordance with the new policy regulated by JICPA's Accounting Committee Report No.12 "Practical Guidance for Accounting for Research and Development Costs, etc." (the "Report") effective April 1, 1999. Under the Report, the research and development expenses charged to income amounted to ¥113,195 million and ¥123,313 million (\$1,174,410 thousand) for the years ended March 31, 1999 and 2000, respectively.

The software costs are recorded principally in prepaid expenses and other and amortized by the straight-line method over estimated useful life of principally 5 years under the Report.

#### **(m) Reclassifications**

Certain prior year amounts have been reclassified to conform to 2000 presentation. These changes had no impact on previously reported results of operations or shareholders' equity.

Additionally, effective from the year ended March 31, 2000, the Company is required to prepare consolidated statements of cash flows in accordance with the "Standards for Preparation of Consolidated Cash Flow Statements, etc." (the "New Standards"). In this connection, the prior year's consolidated statement of income and statement of cash flows, which were prepared for the readers outside Japan, have been restated to conform to the 2000 presentation under the New Standards.



## 2. Marketable Securities

The carrying amount, fair value and net unrealized holding gains or losses of quoted securities included in short-term investments, investments in securities and investments in nonconsolidated subsidiaries and affiliates in the accompanying consolidated balance sheets as of March 31, 2000 are as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2000	2000
Current:		
Carrying amount:		
Equity securities .....	¥ 0	\$ 0
Debt securities .....	6,452	61,448
	<u>¥ 6,452</u>	<u>\$ 61,448</u>
Fair value:		
Equity securities .....	¥ 0	\$ 0
Debt securities .....	6,452	61,448
	<u>¥ 6,452</u>	<u>\$ 61,448</u>
Net unrealized holding gains (losses):		
Equity securities .....	¥ 0	\$ 0
Debt securities .....	0	0
	<u>¥ 0</u>	<u>\$ 0</u>
Noncurrent:		
Carrying amount:		
Equity securities .....	¥ 77,484	\$ 737,943
Debt securities .....	21,994	209,467
	<u>¥ 99,478</u>	<u>\$ 947,410</u>
Fair value:		
Equity securities .....	¥ 75,815	\$ 722,048
Debt securities .....	21,994	209,467
	<u>¥ 97,809</u>	<u>\$ 931,515</u>
Net unrealized holding gains (losses):		
Equity securities .....	¥ (1,669)	\$ (15,895)
Debt securities .....	0	0
	<u>¥ (1,669)</u>	<u>\$ (15,895)</u>

The information excludes unlisted securities.

## 3. Inventories

Inventories as of March 31, 1999 and 2000 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Finished products .....	¥ 190,069	¥ 167,447	\$ 1,594,733
Work in process .....	68,519	54,319	517,324
Raw materials .....	41,635	44,247	421,400
	<u>¥ 300,223</u>	<u>¥ 266,013</u>	<u>\$ 2,533,457</u>

#### 4. Income Taxes

The Company is subject to a number of different income taxes which, in the aggregate, indicate a normal tax rate in Japan of approximately 48% and 42% for the years ended March 31, 1999 and 2000, respectively.

The following table summarizes the significant differences between the normal tax rate and the effective tax rate for financial statement purposes for the year ended March 31, 2000:

	2000
Normal tax rate .....	42.0%
Differences in normal tax rates of overseas subsidiaries.....	(3.2)%
Expenses not deductible for tax purposes .....	6.5%
Other .....	0.9%
Effective tax rate.....	<u>46.2%</u>

Significant components of deferred tax assets and deferred tax liabilities as of March 31, 2000 are as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2000	2000
Deferred tax assets:		
Inventories .....	¥ 13,631	\$ 129,819
Allowance for doubtful receivables.....	3,421	32,581
Enterprise taxes.....	3,311	31,533
Accrued bonus .....	4,785	45,572
Warranty reserve.....	1,186	11,295
Long-term prepaid expenses.....	7,024	66,895
Other .....	14,025	133,572
Gross deferred tax assets.....	<u>47,383</u>	<u>451,267</u>
Deferred tax liabilities:		
Retained earnings appropriated for tax allowable reserves.....	(1,765)	(16,810)
Undistributed earnings of overseas subsidiaries.....	(7,642)	(72,781)
Other .....	(2,438)	(23,219)
Gross deferred tax liabilities.....	<u>(11,845)</u>	<u>(112,810)</u>
Net deferred tax assets.....	<u>¥ 35,538</u>	<u>\$ 338,457</u>

## 5. Short-term Borrowings and Long-term Debt

The weighted average interest rate of short-term borrowings as of March 31, 2000 was 3.4%.

The Company and its consolidated subsidiaries have

had no difficulty in renewing such loans when they have considered such renewal advisable.

Short-term borrowings including current portion of long-term debt as of March 31, 1999 and 2000 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Bank loans .....	¥177,080	¥132,311	\$1,260,105
Bank acceptances payable .....	6,781	3,070	29,238
Commercial paper .....	129,329	74,688	711,314
Current portion of long-term debt .....	10,219	28,733	273,648
	<u>¥323,409</u>	<u>¥238,802</u>	<u>\$2,274,305</u>

Long-term debt as of March 31, 1999 and 2000 consisted of the following:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
0.3%–6.8% unsecured loans principally from banks, due 1999 to 2008 .....	¥121,214	¥115,000	\$1,095,238
Non-interest and 5.0% unsecured loans from the government to consolidated subsidiaries, due 1999 to 2000 .....	147	51	486
1.6% unsecured convertible bonds, due 2002 .....	1,287	1,246	11,867
1.6% unsecured convertible bonds, due 2004 .....	26,952	26,951	256,676
1.55% unsecured straight bonds, due 2002 .....	50,000	50,000	476,190
2.00% unsecured straight bonds, due 2005 .....	30,000	30,000	285,714
1.30% unsecured straight bonds, due 2003 .....	10,000	10,000	95,238
1.65% unsecured straight bonds, due 2005 .....	10,000	10,000	95,238
0.39%–3.1% unsecured Euroyen notes issued by a consolidated subsidiary, due 1999 to 2004 .....	31,653	26,601	253,343
2.6%–7.2% mortgage loans for employees' housing from a government-sponsored agency, due 1999 to 2009 .....	4,621	66	629
	<u>285,874</u>	<u>269,915</u>	<u>2,570,619</u>
Less-Current portion included in short-term borrowings .....	<u>(10,219)</u>	<u>(28,733)</u>	<u>(273,648)</u>
	<u>¥275,655</u>	<u>¥241,182</u>	<u>\$2,296,971</u>

The following is a summary of the terms of conversion and redemption of the convertible bonds:

	Conversion price	Redemption at the option of the Company
1.6% Bonds, due 2002	¥ 805.40	At 106% to 100% of principal after March 31, 1995, decreasing 1% annually
1.6% Bonds, due 2004	¥1,554.00	At 106% to 100% of principal after September 30, 1997, decreasing 1% annually

The conversion prices of bonds are subject to adjustment for certain subsequent events such as the issue of common stock at less than fair value and stock splits.

The 1.6% unsecured convertible bonds, due 2002 are subject to certain covenants such as restrictions on dividends as defined in the agreement.

If all convertible bonds were converted as of March 31, 2000, 18,890 thousand shares of common stock would be issuable.

As of March 31, 2000, time deposits of ¥11,835 million (\$112,714 thousand) were pledged as collateral for short-term borrowings.

As is customary in Japan, substantially all of the bank borrowings are subject to general agreements with each bank which provide, among other things, that additional security and guarantees for present and future indebtedness will be given upon request of the bank, and that any collateral so furnished will be applicable to all indebtedness to that bank. To date, the Company has not received such requests from its banks. In addition, the agreements provide that the bank has the right to offset cash deposited against any short-term or long-term debt that becomes due, and in case of default and certain other specified events, against all other debts payable to the bank.

The aggregate annual maturities of long-term debt as of March 31, 2000 were as follows:

Year ending March 31	Yen (millions)	U.S. Dollars (thousands)
2002 .....	¥ 29,716	\$ 283,009
2003 .....	55,263	526,314
2004 .....	25,588	243,695
2005 .....	38,939	370,848
2006 and thereafter .....	91,676	873,105
	<u>¥241,182</u>	<u>\$2,296,971</u>

## 6. Leases

### Finance leases

Information relating to finance leases, excluding those leases for which the ownership of the leased assets is considered to be transferred to the lessee, as of, and for the years ended, March 31, 1999 and 2000, is as follows:

#### (a) As lessee

##### (1) Future minimum lease payments

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Due within one year .....	¥ 74,013	¥ 70,115	\$ 667,762
Due after one year .....	129,203	131,275	1,250,238
	<u>¥ 203,216</u>	<u>¥ 201,390</u>	<u>\$ 1,918,000</u>

##### (2) Lease payments

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Lease payments .....	¥ 14,205	¥ 14,597	\$ 139,019

(b) As lessor

(1) Acquisition cost, accumulated depreciation and book value of leased properties

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Machinery and equipment:			
Acquisition cost .....	¥ 9,745	¥ 8,556	\$ 81,485
Accumulated depreciation .....	4,472	4,489	42,752
Book value .....	5,273	4,067	38,733

(2) Future minimum lease receipts

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Due within one year .....	¥ 67,150	¥ 62,491	\$ 595,153
Due after one year .....	116,753	119,758	1,140,552
	<u>¥ 183,903</u>	<u>¥ 182,249</u>	<u>\$ 1,735,705</u>

(3) Lease receipts and depreciation

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Lease receipts .....	¥ 4,092	¥ 2,473	\$ 23,552
Depreciation .....	3,129	2,011	19,152

Operating leases

(a) As lessee

Future minimum lease payments as of March 31, 1999 and 2000 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Due within one year .....	¥ 1,078	¥ 820	\$ 7,810
Due after one year .....	1,157	1,453	13,838
	<u>¥ 2,235</u>	<u>¥ 2,273</u>	<u>\$ 21,648</u>

(b) As lessor

Future minimum lease receipts as of March 31, 1999 and 2000 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Due within one year .....	¥ 1,960	¥ 1,744	\$ 16,610
Due after one year .....	1,113	1,528	14,552
	<u>¥ 3,073</u>	<u>¥ 3,272</u>	<u>\$ 31,162</u>

## 7. Shareholders' Equity and Per Share Data

The Japanese Commercial Code provides that at least one-half of the proceeds from shares issued at a price in excess of par value be included in common stock. In conformity therewith, the Company recorded as common stock over one-half of the principal amount of the convertible bonds converted into common stock.

The Code provides that an amount equivalent to at least 10% of cash dividends paid and other cash outlays resulting from appropriation of retained earnings with respect to each annual period be appropriated to the legal reserve until such reserve equals 25% of the stated capital. Legal reserve is included in retained earnings.

The Code also provides that additional paid-in capital and the legal reserve are not available for cash dividends, but may be used to reduce a capital deficit by resolution of the shareholders or may be capitalized by resolution of the Board of Directors.

Year end cash dividends are approved by the shareholders after the end of each fiscal year and semiannual interim cash dividends are declared by the Board of Directors after the end of each interim six-month period. Such dividends are payable to shareholders of record at the end of each fiscal year or interim six-month period. In accordance with the Code, final cash dividends and the related appropriations of retained

earnings have not been reflected in the financial statements at the end of such fiscal year. However, dividends per share shown in the accompanying consolidated statements of income reflect dividends applicable to the respective period.

Net income per share is computed based on the weighted average number of shares of common stock outstanding.

Diluted net income per share is based on the assumption that all dilutive convertible bonds were converted into common stock at the beginning of the year. Diluted net income per share of common stock for the year ended March 31, 1999 was not shown since the outstanding convertible bonds had no dilutive effect on the net income per share data for 1999.

On June 29, 2000, the shareholders approved the declaration of cash dividends totaling ¥6,759 million (\$64,371 thousand) to shareholders of record as of March 31, 2000, covering the year then ended, and the related appropriation of retained earnings to legal reserve.

## 8. Contingent Liabilities

As of March 31, 2000, the Company and its consolidated subsidiaries have contingent liabilities as follows:

	Yen (millions)	U.S. Dollars (thousands)
	2000	2000
Loans guaranteed.....	¥19,396	\$184,724
Keepwell agreement .....	10,000	95,238
Notes discounted.....	1,344	12,800
	<u>¥30,740</u>	<u>\$292,762</u>

## 9. Derivatives

The Company and some of its consolidated subsidiaries use derivatives, which include foreign exchange forward contracts, currency swap contracts and option contracts, to reduce risk exposure of its financial assets, liabilities and anticipated transactions denominated in foreign currencies. The credit risk of such derivatives is assessed at low as the counter-parties of these transactions are prestigious financial institutions.

The estimated fair values of the companies' derivatives as of March 31, 2000 are summarized as follows:

		Yen (millions)	U.S. Dollars (thousands)
		2000	2000
Foreign exchange forward contracts:			
To sell foreign currencies:			
U.S. dollars:	Contract amounts .....	¥76,843	\$731,838
	Estimated fair value .....	76,186	725,581
	Net unrealized gains(losses).....	657	6,257
Others:	Contract amounts .....	14,856	141,486
	Estimated fair value .....	14,377	136,924
	Net unrealized gains(losses).....	479	4,562
To buy foreign currencies:			
U.S. dollars:	Contract amounts .....	62,629	596,466
	Estimated fair value .....	60,425	575,476
	Net unrealized gains(losses).....	(2,204)	(20,990)
Others:	Contract amounts .....	45	429
	Estimated fair value .....	45	429
	Net unrealized gains(losses).....	0	0
Options contracts:			
Written:			
To buy foreign currencies:			
U.S. dollars:	Contract amounts .....	3,290	31,333
	Option fee .....	16	152
	Estimated fair value .....	8	76
	Net unrealized gains (losses) .....	8	76
Swap contracts:			
Currency swap contracts:			
Receive yen, pay U.S. dollars:	Notional amounts .....	13	124
	Estimated fair value .....	2	19
	Net unrealized gains (losses) .....	2	19

All of the above contracts mature within one year.

The fair values of the foreign exchange forward contracts are based on quoted market rates as of March 31, 2000.

The fair values of the option contracts and swap contracts are calculated using the prices indicated by the financial institutions.



## 10. Segment Information

The Company and its consolidated subsidiaries operate in Consumer/Information Products business and Electronic Components business. Consumer/

Information Products business includes television/video equipment, audio/communication equipment, home appliances and office/industrial equipment.

Information by business segment for the fiscal years ended March 31, 1999 and 2000 is as follows:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Net Sales:			
Consumer/Information Products:			
Customers .....	¥ 1,254,085	¥ 1,245,710	\$ 11,863,904
Intersegment .....	6,348	3,384	32,229
Total .....	1,260,433	1,249,094	11,896,133
Electronic Components:			
Customers .....	491,452	609,064	5,800,610
Intersegment .....	54,833	72,469	690,181
Total .....	546,285	681,533	6,490,791
Elimination .....	(61,181)	(75,853)	(722,410)
Consolidated .....	¥ 1,745,537	¥ 1,854,774	\$ 17,664,514
Operating Income:			
Consumer/Information Products .....	¥ 26,151	¥ 26,840	\$ 255,619
Electronic Components .....	11,050	48,078	457,886
Elimination .....	926	(458)	(4,362)
Consolidated .....	¥ 38,127	¥ 74,460	\$ 709,143
Total Assets:			
Consumer/Information Products .....	¥ 736,723	¥ 688,429	\$ 6,556,467
Electronic Components .....	737,803	710,931	6,770,771
Elimination and Corporate Assets .....	547,360	588,084	5,600,800
Consolidated .....	¥ 2,021,886	¥ 1,987,444	\$ 18,928,038
Depreciation and Amortization:			
Consumer/Information Products .....	¥ 51,961	¥ 50,257	\$ 478,638
Electronic Components .....	93,889	103,978	990,266
Elimination .....	(352)	(396)	(3,771)
Consolidated .....	¥ 145,498	¥ 153,839	\$ 1,465,133
Capital Expenditures:			
Consumer/Information Products .....	¥ 57,090	¥ 44,754	\$ 426,229
Electronic Components .....	83,637	84,258	802,457
Elimination .....	(171)	(381)	(3,629)
Consolidated .....	¥ 140,556	¥ 128,631	\$ 1,225,057

Corporate assets as of March 31, 1999 and 2000 were ¥554,339 million and ¥603,095 million (\$5,743,762 thousand), respectively, and were mainly comprised of the Company's cash and cash equivalents, short-term investments and investments in securities.

Information by geographic segment for the fiscal years ended March 31, 1999 and 2000 is as follows:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Net Sales:			
Japan:			
Customers .....	¥ 1,083,856	¥ 1,164,627	\$ 11,091,686
Intersegment .....	370,230	397,309	3,783,895
Total .....	1,454,086	1,561,936	14,875,581
The Americas:			
Customers .....	387,392	360,315	3,431,571
Intersegment .....	7,472	5,714	54,419
Total .....	394,864	366,029	3,485,990
Other:			
Customers .....	274,289	329,832	3,141,257
Intersegment .....	165,784	163,903	1,560,981
Total .....	440,073	493,735	4,702,238
Elimination .....	(543,486)	(566,926)	(5,399,295)
Consolidated .....	¥ 1,745,537	¥ 1,854,774	\$ 17,664,514
Operating Income:			
Japan .....	¥ 16,406	¥ 53,801	\$ 512,390
The Americas .....	9,742	7,651	72,867
Other .....	11,686	12,008	114,362
Elimination .....	293	1,000	9,524
Consolidated .....	¥ 38,127	¥ 74,460	\$ 709,143
Total Assets:			
Japan .....	¥ 1,133,991	¥ 1,089,361	\$ 10,374,866
The Americas .....	162,071	136,190	1,297,048
Other .....	218,279	218,004	2,076,229
Elimination and Corporate Assets .....	507,545	543,889	5,179,895
Consolidated .....	¥ 2,021,886	¥ 1,987,444	\$ 18,928,038

Corporate assets as of March 31, 1999 and 2000 were ¥554,339 million and ¥603,095 million (\$5,743,762 thousand), respectively, and were mainly comprised of the Company's cash and cash equivalents, short-term investments and investments in securities.

Overseas sales for the years ended March 31, 1999 and 2000 were as follows:

	Yen (millions)		U.S. Dollars (thousands)
	1999	2000	2000
Overseas sales:			
North America .....	¥ 435,602	¥ 403,755	\$ 3,845,286
Asia .....	185,161	234,358	2,231,981
Europe .....	206,047	192,246	1,830,914
Other .....	61,552	49,749	473,800
Total .....	¥ 888,362	¥ 880,108	\$ 8,381,981

Overseas sales were comprised of overseas subsidiaries' sales and the Company's and domestic subsidiaries' export sales to customers.

## Independent Auditors' Report

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To the Board of Directors of Sharp Corporation:

We have audited the accompanying consolidated balance sheets of Sharp Corporation (a Japanese corporation) and consolidated subsidiaries as of March 31, 1999 and 2000, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of Sharp Corporation and consolidated subsidiaries as of March 31, 1999 and 2000, and the results of their operations and their cash flows for the years then ended, in conformity with generally accepted accounting principles in Japan applied on a consistent basis.

Sharp Corporation adopted the new accounting standards for consolidation (Note 1(b)), income taxes (Note 1(j)) and research and development expenses and software costs (Note 1(l)) effective April 1, 1999.

Also, in our opinion, the translated amounts in the accompanying consolidated financial statements translated into U.S. dollars have been computed on the basis set forth in Note 1 (a).

Osaka, Japan  
June 29, 2000



### Statement on Accounting Principles and Auditing Standards

This statement is to remind users that accounting principles and auditing standards and their application in practice may vary among nations and therefore could affect, possibly materially, the reported financial position and results of operations. The accompanying consolidated financial statements are prepared based on accounting principles generally accepted in Japan, and the auditing standards and their application in practice are those generally accepted in Japan. Accordingly, the accompanying consolidated financial statements and the auditors' report presented above are for users familiar with Japanese accounting principles, auditing standards and their application in practice.

# Corporate Information

## Consolidated Subsidiaries

<i>Domestic:</i>	Sharp Electronics Marketing Corporation Sharp Finance Corporation Sharp System Products Co., Ltd. Sharp Manufacturing Systems Corporation Sharp Engineering Corporation Sharp Document Systems Corporation Sharp Amenity Systems Corporation Sharp Niigata Electronics Corporation Sharp Trading Corporation
<i>Overseas:</i>	Sharp Electronics Corporation (New Jersey, U.S.A.) Sharp Laboratories of America, Inc. (Washington, U.S.A.) Sharp Electronica Mexico S.A. de C.V. (Baja California, Mexico) Sharp Electronics Manufacturing Company of America, Inc. (California, U.S.A.) Sharp Electronics of Canada Ltd. (Ontario, Canada) Sharp Electronics (Europe) GmbH (Hamburg, Germany) Sharp Electronics (U.K.) Ltd. (Manchester, U.K.) Sharp Laboratories of Europe, Ltd. (Oxford, U.K.) Sharp International Finance (U.K.) Plc. (Hertfordshire, U.K.) Sharp Electronica España S.A. (Barcelona, Spain) Sharp Electronics (Schweiz) AG (Dällikon, Switzerland) Sharp Electronics (Nordic) AB (Bromma, Sweden) Sharp Electronics Ges.M.B.H. (Wien, Austria) Sharp Manufacturing France S.A. (Soulitz, France) Sharp Electronics France S.A. (Paris, France) Sharp Electronics (Italia) S.p.A. (Milano, Italy) Sharp Electronics Benelux B.V. (Houten, The Netherlands) Sharp Electronics (Taiwan) Co., Ltd. (Kaohsiung, Taiwan) Sharp Electronic Components (Taiwan) Corporation (Taipei, Taiwan) Sharp Technology (Taiwan) Corporation (Taipei, Taiwan) Sharp (Phils.) Corporation (Manila, Philippines) Sharp-Roxy Sales (Singapore) Pte., Ltd. (Singapore) Sharp Electronics (Singapore) Pte., Ltd. (Singapore) Sharp Manufacturing Corporation (M) Sdn. Bhd. (Johor, Malaysia) Sharp Electronics (Malaysia) Sdn. Bhd. (Selangor, Malaysia) Sharp Appliances (Thailand) Ltd. (Chachoengsao, Thailand) Sharp Software Development India Pvt. Ltd. (Bangalore, India) Shanghai Sharp Electronics Co., Ltd. (Shanghai, China) Sharp Office Equipments (Changshu) Co., Ltd. (Changshu, China) Wuxi Sharp Electronic Components Co., Ltd. (Wuxi, China) Nanjing Sharp Electronics Co., Ltd. (Nanjing, China) P.T. Sharp Semiconductor Indonesia (West Java, Indonesia) Sharp Corporation of Australia Pty. Ltd. (New South Wales, Australia) Sharp Corporation of New Zealand Ltd. (Auckland, New Zealand) Sharp Middle East FZE (Dubai, U.A.E.)

Note: Sharp Electronics (Svenska) AB was renamed Sharp Electronics (Nordic) AB as of April 25, 2000.

## Principal Shareholders

The principal shareholders of Sharp Corporation appearing on the register of shareholders as of March 31, 2000 are as follows:

	Ordinary Shares	
	Number held	Percentage
Nippon Life Insurance Company	54,930,384	4.88%
The Fuji Bank, Limited	51,342,469	4.56
The Daiwa Bank, Limited	44,976,068	3.99
The Sanwa Bank, Limited	44,520,114	3.95
The Yasuda Mutual Life Insurance Company	41,865,796	3.72
The Dai-ichi Mutual Life Insurance Company	38,123,796	3.38
The Mitsubishi Trust and Banking Corporation	37,031,000	3.29
The Sumitomo Trust and Banking Company, Limited (Trust Account)	33,586,000	2.98
Sumitomo Life Insurance Company	30,664,000	2.72
Mitsui Marine and Fire Insurance Company, Limited	30,658,022	2.72
Total	407,697,649	36.19%

## Share Distribution

(As of March 31, 2000)

	Number of shareholders	Number of ordinary shares held	Percentage of total ordinary shares outstanding
Japanese financial institutions	287	709,189,439	62.95%
Japanese securities companies	95	10,113,980	0.90
Other Japanese corporations	1,037	49,126,900	4.36
Foreign shareholders	696	207,129,184	18.39
Japanese individual shareholders	68,315	151,022,373	13.40
Total	70,430	1,126,581,876	100.00%

# Directory of the Sharp International Network

## Overseas Sales and Manufacturing Subsidiaries/Joint Concerns & Representatives Offices

U.S.A.	SHARP ELECTRONICS CORPORATION	Sharp Plaza, Mahwah, New Jersey 07430-2135, U.S.A.
		5901 Bolsa Avenue, Huntington Beach, California 92647-2053, U.S.A.
		1300 Naperville Drive, Romeoville, Illinois 60446-1091, U.S.A.
		725 Old Norcross Road, Lawrenceville, Georgia 30245, U.S.A.
		1025 Royal Lane, P.O. Box 619035, Dallas-Fort Worth Airport, 75261-9035 U.S.A.
		200 Wheeler Road, Burlington, Massachusetts 01803-4408, U.S.A.
		5825 Barclay Drive, Suite 3, Kingstowne, Virginia 22315, U.S.A.
		1980 Zanker road, San Jose, CA 95112 U.S.A.
		5700 Northwest Pacific Rim Boulevard Suite 20, Camas, Washington 98607, U.S.A.
		6100 Blue Lagoon Drive, Suite 230, Miami, Florida 33126, U.S.A.
		Jose Antonio Torres No. 694, Col. Ampliacion Asturias 06890, Mexico D.F. Mexico
	SHARP MANUFACTURING COMPANY OF AMERICA (A Manufacturing Division of Sharp Electronics Corporation)	Sharp Plaza Boulevard, Memphis, Tennessee 38193, U.S.A.
	SHARP LABORATORIES OF AMERICA, INC.	5750 Northwest Pacific Rim Boulevard, Camas, Washington 98607, U.S.A.
CANADA	SHARP ELECTRONICS OF CANADA LTD.	335 Britannia Road East, Mississauga, Ontario L4Z 1W9, Canada
MEXICO	SHARP ELECTRONICA MEXICO S.A. de C.V.	Blvd.Sharp No.3510,Parque Industrial Rosarito Playas de Rosarito,B.C.22190 Mexico
	SHARP ELECTRONICS MANUFACTURING COMPANY OF AMERICA, INC.	9295 Siempre Viva Road, Suite J-2, San Diego, CA 92173 U.S.A.
GERMANY	SHARP ELECTRONICS (EUROPE) GMBH	Sonninstrasse 3, 20097 Hamburg, Germany
		Friedrichstrasse 130A, O-1040 Berlin, Germany
U.K.	SHARP ELECTRONICS (U.K.) LTD.	Sharp House, Thorp Road, Newton Heath, Manchester M40 5BE, U.K.
		Sherbourne House, The Croxley Centre, Watford, Hertfordshire WD1 8YE, U.K.
		5 Vere Street, London, W1M 9HQ, U.K.
	SHARP MANUFACTURING COMPANY OF U.K. (A Manufacturing Division of Sharp Electronics (U.K.) Ltd.)	Sharp House, Llay, Wrexham, Clwyd, LL12 OPG, U.K.
	SHARP PRECISION MANUFACTURING (U.K.) LTD.	Forward House, Davy Way, Llay, Wrexham, Clwyd, LL12 OPG, U.K.
	SHARP LABORATORIES OF EUROPE, LTD.	Edmund Halley Road, Oxford Science Park, Oxford OX4 4GA, U.K.
	SHARP INTERNATIONAL FINANCE (U.K.) PLC.	Sherbourne House, The Croxley Centre, Watford, Hertfordshire WD1 8YE, U.K.
SPAIN	SHARP ELECTRONICA ESPAÑA S.A.	Polígono Can Sant Joan, Parcela No.8, 08190 Sant Cugat del Vallés, (Barcelona) Spain
SWITZERLAND	SHARP ELECTRONICS (SCHWEIZ) AG	Langwiesenstrasse 7, Postfach 8108 Dallikon Switzerland
SWEDEN	SHARP ELECTRONICS (NORDIC) AB	Box 14098, Gustavslundsvägen 12, SE-167 14 Bromma, Sweden
AUSTRIA	SHARP ELECTRONICS GES. M.B.H.	Handelskai 342, Postfach 36, 1023 Wien, Austria
CZECH REPUBLIC	SHARP ELECTRONICS GES. M.B.H., Czech Representative Office	Budova Centrotexu Namesti Hrdinu 3 140 61 Praha 4, Czech Republic
FRANCE	SHARP ELECTRONICS FRANCE S.A.	22, Avenue des Nations, Paris Nord II, BP50094, 95948 Roissy Charles de Gaulle, Cedex France
	SHARP MANUFACTURING FRANCE S.A.	Route de Bollwiller, 68360 Soultz, France
ITALY	SHARP ELECTRONICS (ITALIA) S.p.A.	Via Lampedusa, 13 20141 Milano, Italy
NETHERLANDS	SHARP ELECTRONICS BENELUX B.V.	Meidoornkade 10, P.B. 900, 3990 DW Houten, The Netherlands
	SHARP FINANCE NETHERLANDS B.V.	Amsteldijk 166 Rivierstaete, 1079 LH Amsterdam, The Netherlands
BELGIUM	Sharp Corporation Brussels Office	326, Avenue Louise Bte 50, 1050 Brussels, Belgium
	SHARP ELECTRONICS BENELUX B.V., BELGIAN BRANCH	T Hofveld 4, 1702 Groot-Bijgaarden, Belgium
RUSSIA	Sharp Corporation Moscow Representative Office	Hotel Mezhdunarodnaya-2 Room No.1632,12 Krasnopresenskaya Nab., Moscow 123610, Russia
TAIWAN	SHARP CORPORATION (TAIWAN)	2F., 217, Sec 3, Nanking East Road, Taipei, 104, Taiwan R.O.C.
	SHARP ELECTRONICS (TAIWAN) CO., LTD.	No.1 North Nei-Huan East Road, Nantze Export Processing Zone, Kaohsiung, Taiwan, R.O.C.
	SHARP ELECTRONIC COMPONENTS (TAIWAN) CORPORATION	8F., No.16, SEC 4 Nanking East Road, Taipei, Taiwan, R.O.C.
	SHARP TECHNOLOGY (TAIWAN) CORPORATION	7F., No.16, SEC 4 Nanking East Road, Taipei, Taiwan, R.O.C.
KOREA	SHARP KOREA CORPORATION	418, Chung Cheon-Dong, Bupyeong-ku, Incheon, Korea
	SHARP ELECTRONICS INC.OF KOREA	7F, 661-10, Deungchon-Dong, Kangseo-Gu, Seoul, Korea

PHILIPPINES	SHARP (PHILS.) CORPORATION	KM 23, West Service Road, South Superhighway, Alabang, Muntinlupa, Metro Manila. Philippines
HONG KONG	SHARP-ROXY (HONG KONG) LTD.	1701-1711, Admiralty Centre, Tower 1, Harcourt Road, Hong Kong
	SHARP ELECTRONICS (MALAYSIA) SDN. BHD. HONG KONG BRANCH	Rm. 4521-25, Metro Plaza Tower 1, 223 Hing Fong Road, Kwai Fong, N.T., Hong Kong
	Hong Kong Representative Office	Rm. 1613-15, Tower 2, Grand Central Plaza, 138 Shatin Rural Committee Road, Shatin, N.T., Hong Kong
SINGAPORE	SHARP-ROXY SALES (SINGAPORE) PTE., LTD.	138 Robinson Road, Hong Leong Centre, #21-00, Singapore 068906
	SHARP ELECTRONICS (SINGAPORE) PTE., LTD.	438A Alexandra Road #05-01/02, Alexandra Technopark, Singapore 119967
MALAYSIA	SHARP-ROXY SALES & SERVICE COMPANY (M) SDN. BHD.	1A, Persiaran, Kuala Langat, Section 27, 40400, Shah Alam, Selangor, Malaysia
	SHARP-ROXY APPLIANCES CORPORATION (M) SDN. BHD.	Lot 4 & 6, Jalan 225, Section 51-A, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia
	SHARP-ROXY CORPORATION (M) SDN. BHD.	Lot 202, Bakar Arang Industrial Estate, 08000 Sungai Petani, Kedah, Malaysia
	SHARP-ROXY ELECTRONICS CORPORATION (M) SDN. BHD.	PLO-1 Kawasan Perindustrian, Sri Gading, 83009 Batu Pahat, Johor, Malaysia
	SHARP MANUFACTURING CORPORATION (M) SDN. BHD.	PLO-225 Kawasan Perindustrian, Sri Gading, 83009 Batu Pahat, Johor, Malaysia
	SHARP ELECTRONICS (MALAYSIA) SDN. BHD.	1A, Persiaran, Kuala Langat, Section 27, 40400, Shah Alam, Selangor, Malaysia
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	SHARP THEBNAKORN CO., LTD.	664 Siphaya Road, Bangkok 10500, Thailand
	SHARP THEBNAKORN MANUFACTURING (THAILAND) (A Manufacturing Division of Sharp Thebnakorn Co., Ltd.)	58 Moo 3, Tambol Sampatuan, Amphur Nakornchaisri, Nakornpathom Province, Thailand
INDIA	KALYANI SHARP INDIA LIMITED	Gat No. 686/4, Koregaon Bhima Tal. Shirur, Dist. Pune, Pin 412207 Maharashtra, India
	SHARP SOFTWARE DEVELOPMENT INDIA PVT. LTD.	International Tech Park, Bangalore City, Karnataka, India
	SHARP BUSINESS SYSTEMS (INDIA) LTD.	214-221 Ansal Tower, 38, Nehru Place, New Delhi 110 019, India
CHINA	SHANGHAI SHARP ELECTRONICS CO., LTD.	1111 Jinhai Road, Jingqiao Export Processing Zone Pudong New Area, Shanghai City, 201206, P. R. China
	SHARP OFFICE EQUIPMENTS (CHANGSHU) CO., LTD.	Huanghe Road, Yanjiang Economic Development Zone, Changshu City, Jiangsu Province, 215500, P. R. China
	WUXI SHARP ELECTRONIC COMPONENTS CO., LTD.	Wuxi National High & New Tech Industrial Development Zone No. 54 Area, 8 Wangzhua Road, Wuxi City, Jiangsu Province, 214028, P. R. China
	NANJING SHARP ELECTRONICS CO., LTD.	No. 318 Yaoxin Rd., Nanjing Economic & Technical Development Zone, Nanjing City, Jiangsu Province, 210038, P. R. China
	SHANGHAI SHARP MOLD AND MANUFACTURING SYSTEMS CO., LTD.	1357 Jinhai Road, Pudong Xinqu, Shanghai City, 201206, P. R. China
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	P.T. SHARP YASONTA ANTARNUSA	Jl. Swadaya IV, Komp. Pedurenan Kel. Rawaterate, Pulogadung, Jakarta Timur, Indonesia
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As of June 2000

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